

**MINUTES OF THE
BUSINESS AND LABOR INTERIM COMMITTEE**

Wednesday, May 17, 2006 – 2:00 p.m. – Room W125 House Building

Members Present:

Sen. Scott K. Jenkins, Senate Chair
Rep. Stephen D. Clark, House Chair
Sen. Gene Davis
Sen. John W. Hickman
Sen. Ed Mayne
Rep. J. Stuart Adams
Rep. Jackie Biskupski
Rep. David Clark
Rep. Carl W. Duckworth
Rep. Craig A. Frank
Rep. Neil A. Hansen
Rep. Todd E. Kiser
Rep. Michael T. Morley

Rep. Curtis Oda
Rep. Gordon E. Snow
Rep. Scott L. Wyatt

Members Absent:

Sen. Thomas V. Hatch
Sen. Michael G. Waddoups
Rep. James A. Dunnigan
Rep. Ben C. Ferry

Staff Present:

Ms. Allison Morgan, Policy Analyst
Ms. Patricia Owen, Associate General Counsel
Ms. Tracey Fredman, Legislative Secretary

Note: A list of others present, a copy of related materials, and an audio recording of the meeting can be found at www.le.utah.gov.

1. Committee Business

Chair Clark called the meeting to order at 2:20 p.m.

MOTION: Sen. Hickman moved to approve the minutes of the April 19, 2006 meeting. The motion passed unanimously. Rep. Biskupski, Rep. David Clark, and Rep. Duckworth were absent for the vote.

2. Disaster Preparedness for Businesses

A. Earthquakes in Utah

Rep. Craig W. Buttars introduced Dr. Ron Harris.

Dr. Ron Harris, Professor, Brigham Young University, gave a presentation on earthquakes and the Wasatch Fault. He discussed the importance of preparation, especially in Utah's situation, where there is a high population density located along the earthquake fault line. Dr. Harris distributed "Check List of 'Least Regrets,'" and outlined preparations that could help to save lives and money if an earthquake occurs on the Wasatch Front.

Mr. Richard J. Thorne, President/CEO, Associated General Contractors of Utah, reported on the construction industry's ability to respond in a time of a natural disaster crisis. Mr. Thorne described their "Fast Aid" plan and responded to questions from the Committee.

Mr. Barry Welliver, Structural Engineer, Chair, Utah Seismic Safety Commission, commented on building codes and the safety of homes and commercial buildings in Utah.

B. Lessons Learned from Recent Disasters and Utah's Efforts

Ms. Renee Murphey, Program Director, Private Sector and Critical Infrastructure, Utah Department of Public Safety, Division of Homeland Security, distributed and reviewed "HAZUS-MH: Earthquake Event Report," "Ready Your Business," "Preliminary Results of Survey Data taken at New Orleans, October 6, 2005," "Katrina Index: Tracking Variables of Post-Katrina Reconstruction," and "Key Tracking Figures." Ms. Murphey discussed the readiness and plans of the private sector to respond to disaster situations.

Mr. Verdi White, Director, Homeland Security, Utah Department of Public Safety, Division of Homeland Security, discussed protocol and procedures that the state and localities follow after a disaster.

C. Disaster Preparedness and Governmental Agencies

Ms. Francine Giani, Executive Director, Department of Commerce, discussed the Department of Commerce's emergency programs and policies. One example is the Division of Occupational and Professional Licensing's ability to temporarily license certain out-of-state professionals or grant exemptions to these professionals to aid in recovery and rebuilding.

Mr. Michael Jones, Chief Examiner, Department of Financial Institutions, commented that the Department of Financial Institutions' largest problem in a disaster would be the recovery of data. The Department of Financial Institutions has planned for this problem and other situations in its disaster recovery plan, which is reviewed and updated every two years. Additionally, the Department of Financial Institutions has developed a business continuation plan.

Mr. John Braun, Assistant Commissioner, Utah Insurance Department, explained that the Insurance Department has a disaster preparedness plan in place which is coordinated with Homeland Security. Mr. Braun mentioned issues related to the Katrina disaster recovery, the importance of knowing specifically what an insurance policy covers in a disaster situation, and estimates on the number of people in Utah with catastrophe insurance coverage.

Mr. Kent Michie, Insurance Commissioner, Utah Insurance Department, commented on the small number of people insured for catastrophic events in Utah. He believes it is largely a matter of cost, and informed the committee that he is working on policy options.

D. Disaster Preparedness of Industry

Mr. Howard Headlee, UBA (Utah Bankers Association), introduced Mr. Arthur Frank, Zions Bank, speaking on behalf of UBA. Mr. Frank and Mr. Headlee discussed UBA's efforts to create a statewide business continuity plan in order to be ready to provide assistance should a disaster situation occur. Mr. Headlee discussed the potential economic and financial impacts of a major disaster in the residential and commercial markets, and responded to questions from the Committee.

Mr. Jim Olsen, representing Utah Retailer Merchant's Association and Utah Food Industry Association, commented on the importance of communication lines and transportation corridors in keeping retailers open after a disaster. He also spoke of the issues consumers could face in making retail purchases during an

emergency. He discussed the need to prepare for emergencies such as bioterrorism and flu epidemics, as well as earthquakes or floods.

Mr. Chris Purcell, representing State Farm Insurance, described a national working group comprised of several major insurance carriers called "Protecting America," and responded to questions from the Committee. Mr. Purcell offered to bring members of the working group to address the Committee if the Committee was interested in further studying the issue.

3. Other Items/Adjourn

Chair Clark adjourned the meeting at 5:05 p.m.